

# Growth to remain above 6.5pc: BB governor

## Atiur says officials of WB, IMF and others appreciate Bangladesh's story

REJAUL KARIM BYRON, from Tokyo

**B**ANGLADESH'S economy will grow by more than 6.5 percent in the current fiscal year although the global expansion is under-pressure, the central bank governor said.

"I think it will grow by more than 6.5 percent," Atiur Rahman told The Daily Star in Tokyo on Friday.

The governor is now in the Japanese capital to attend the semi-annual meetings of the World Bank and the International Monetary Fund.

His comments came as the IMF earlier forecast that Bangladesh's economy would grow by 6.1 percent in 2012 calendar year. Naoyuki Shinohara, a deputy managing director of the lending agency, said Bangladesh's GDP would grow by 5.8 percent in the current fiscal year.

"It is difficult to forecast the exact growth. We have noticed that historically Bangladesh's growth remains a bit higher than the projection made by the IMF. It has happened all the time and we have seen the pattern historically," Rahman said.

"But I would say that the IMF estimate reflects the global reality. It has forecast India's growth rate at 4.9 percent. Compared to India, IMF has made a positive projection about Bangladesh."

The governor, however, said the IMF estimation does not say that Bangladesh is being able to make up the losses in growth caused by the global meltdown through internal demand.

"Our agriculture is growing. I think it will grow by about 4 percent this year. That will make up some of the losses. Together, there is no chance the growth is going below 6.5 percent. It is not unrealistic too."

Rahman said the growth is under pressure worldwide. "There is no doubt about it. Definitely, Bangladesh will receive some of the heat."

He said the central bank has been cautious in terms of going for inclusive growth. "The quality of growth will ensure that even with the small growth we will have a better growth."

The governor attended a number of programmes and discussions at the IMF-WB annual meetings in the last several days.

"Everybody was saying that Bangladesh is actually a unique story. I have talked to officials from a number of countries. They said Bangladesh is a contrarian when it comes to the growth and inflation story. The Indian governor told me that Bangladesh is a bit separate from the bunch of the coun-



Atiur Rahman

tries. We are an outlier in a positive sense." Rahman said the country is maintaining its growth, the inflation is going down and the exchange rate is stable. In some cases, it is appreciating.

"The countries and the IMF are appreciating Bangladesh."

Rahman said the foreign currency reserves of Bangladesh also drew appreciation from the WB.

"Our current reserves of \$11.5 billion can finance imports of three and a half months. If it touches \$12 billion then we will be able to finance imports of four months."

"The WB officials are saying that Bangladesh's development story is very unique."

Rahman said he is more optimistic

about Bangladesh's story after listening to the IMF managing director and the WB president.

"Both of them are not talking about one-track story. They are considering multiple factors and are going beyond the conventional kind of monetary management and policy story. They are talking about the multi-disciplinary kind of story. They are terming the WB as a solution bank."

He said he finds similarity of the central bank with the WB. "Our central bank is not a mono-track kind of central bank. We are encouraging banks to go for inclusive financing. We are allowing them to go green. From all sense, there was a resonance what the WB president has said and what we are doing in Bangladesh."

"We have already started to address the issues such as the financial stability, supervision and regulation as have been mentioned by the IMF managing director."

He said the capital adequacy requirement under the Basel-III would ultimately be good for the banking sector. "We have fixed capital adequacy ratio at 11-plus keeping that in mind, which will go up in 2018."

The governor said the WB is giving more emphasis on the regional cooperation. "We are also working on the issue. From the discussions, I found that Bangladesh is the most important country in case of regional hub."

The Bangladesh's delegation to Tokyo led by the finance minister also held meetings on the Padma bridge project.

On the issue, the governor said he thinks things are going positively. Confidence is building up.

He said, during this quarter the government's borrowing from the banking sector has been minimal, which is helping inflation come down.

The government and the central bank will have to maintain the existing level of coordination between them and improve it. "We can tell the world that many of the things that the WB president and the IMF MD said in Tokyo have already begun or were done."

"We are one of the few countries in the world who are really going for the inclusive growth, prudent monetary policy and we are tight while spending for the luxury goods. We are loose in case of productive agriculture and SMEs. We are working on the two legs."

Rahman also held meetings with top regional officials from Moody's and Standard and Poor's -- the world's two leading rating agencies.

"They also said they see no reason why the growth of Bangladesh will go below 6 percent."

It will remain 6 percent plus due to the performance of the agriculture sector, the governor quoted the officials as saying.

Rahman met Mauro Leos, regional credit officer of Moody's, and Elena Okorochenko, managing director of S&P's for Asia and the Pacific, in Tokyo.

Rahman said they also appreciated the government's decision to allow exchange rate flexibility when the taka was continuing to fall against the US dollar in November last year.

"They said: 'You had the guts to open your exchange rate,'" Rahman said.

# Dhaka-Malé direct flights from Nov 15

STAR BUSINESS REPORT

Maldivian, the national carrier of the Maldives, will launch direct flights to Dhaka from Malé via Chennai from November 15, officials said yesterday.

This is the first time any airline is providing direct air connectivity between the cities of Malé, Chennai and Dhaka. Flights to and from Dhaka are planned for operation on Tuesdays, Thursdays and Saturdays.

Maldivian, a full service airline, will operate an Airbus A320 aircraft with a configuration of 14 business class, 24 premium economy and 114 economy class on the Dhaka-Chennai-Malé route.

The flights will help promote tourism in the Saarc (South Asian Association for Regional Cooperation) region and give hassle-free travel to the Bangladeshis working in the islands country.

Maldivian is owned and operated by Island Aviation Services Ltd, the leading domestic carrier in the country.

The new routes to and from the Bangladeshi capital are mainly to support medical tourism, business travel and the leisure market.

With direct flights, the airline is expecting an increase in the number of tourist arrivals to Dhaka as well as to the Maldives, said Aishath Farah Habib, head of sales and marketing of Maldivian.

The Bangladeshis working in the Maldives will now have the unbeatable option of hassle-free travel to and from Malé, she said at a press conference at Sonargaon Hotel in the city.



Tourists from Bangladesh can get on-arrival visa at the Malé international airport, she added.

The air link will help strengthen the bilateral relations between Bangladesh and the Maldives and give a boost to trade relations between the two countries, said Ahmed Adil, deputy high commissioner of the Maldives in Dhaka.

Maldivian has been providing air transportation between Malé international airport (Ibrahim Nasir International Airport) in the Maldives and the domestic airports in the country since 2000.

Although it started domestic operations in 2003, Maldivian commenced its first regional operations in January 2008 with the first flight to Trivandrum, India. Now, Maldivian operates daily frequent flights to six domestic airports in the country and operates daily flights to Trivandrum.

A seventh domestic route will be added to its network in October with the opening of Dharavandhoo Airport in Baa Atoll, according to the airline.

It will also operate new direct thrice-a-week flights to Mumbai from November.

The aim of the airline is to give the customers a 'Maldivian Experience' thousands of feet in the sky, at a fare that is competitive while ensuring quality service, said Rajakrishnan, country manager of Maldivian.

Maldivian has appointed Air Galaxy Ltd as its general sales agent in Bangladesh.

Taufiq Uddin Ahmed, chairman of Air Galaxy, and Ahmed Yusuf Walid, its managing director, were also present.

# From the front line of creativity

SHAHRIAR SHAHID

Anyone who seeks creative inspiration in the areas of brand, marketing or business growth or simply wants to witness the transformation in the communication industry needs not to go any further than France. Every year the Cannes Lions International Festival of Creativity, the biggest advertising and communication festival in the world, descends on the southern French city of Cannes with the brightest creative minds from across the world and recognises the most creative works with the industry's most prestigious Cannes Lions awards. Agencies and professionals in Bangladesh are also taking preparations for the next year's festival. Philip Thomas, chief executive officer of the festival, shares his thoughts and facts of the event with The Daily Star.

**A**GENCIES in the past used to fight with their clients to let them bring creative works. But the clients found that too risky. Now clients willingly take risks and go for creative works, as they now understand that it is the only way to flourish in a new market, said Philip Thomas.

Globalisation is the second big change.

The event began as a film advertising festival 59 years ago, and was launched shortly after the Cannes Lions Film Festival.

"For many years, it has been advertising only, for TV and cinema. And through 1990 onwards, it grew

to include press advertising, and gradually we added things like outdoor, digital etc."

And in the last 4/5 years it has grown in scope from just advertising into something much bigger, encompassing all kinds of communication, he said.

But the core principle at Cannes festival remains the same: celebrating creativity that is the most important competitive tool for business.

In 2012, the festival received a total of 34,301 creative entries and more than 11,000 delegates, which is nearly 20 percent more than the previous year, making it the biggest ever Cannes festival in the history.

"So, we have spotted three significant trends from this increasing numbers of creative entries and delegates," said Thomas.

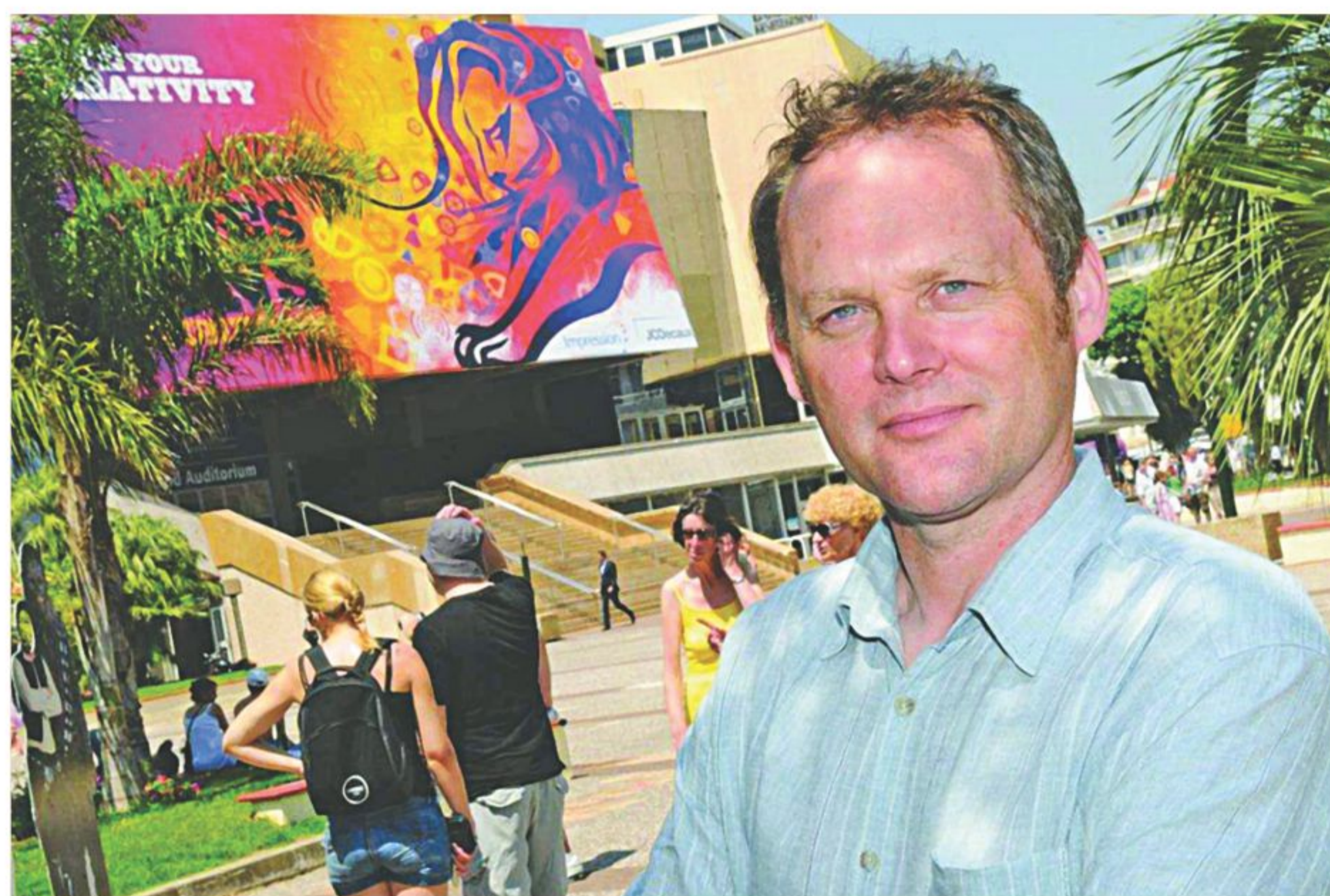
The first one is client engagements, he said. Clients wish to understand creativity now, and how creativity can amplify the work that they do.

So, many global clients, including Coca-Cola, P&G, Nestle and Unilever, are coming at the festival to learn and feel inspired by the great creative works, Thomas said.

"They want to win Cannes Lions, they want to improve their creativity and this has been a big change."

In previous years, the fiesta was very dominated by the west, the US, Europe, Australia and South Africa, where more winners and delegates are now coming from the emerging countries.

"This year we had a Grand Prix



Philip Thomas, CEO of Cannes Lions International Festival of Creativity, poses in front of the festival's venue in France.

winner from Puerto Rico, the first Grand Prix ever from there. Two years ago, we had a Grand Prix winner from India, and now we have our gold winners coming from Guatemala, Costa Rica, Columbia, Uruguay and the Middle East."

Thomas said he thinks the biggest change in the industry is the diversification of people who are participating in the festival.

"So, it's not just clients and advertising agencies, its mobile

specialists, digital specialists, Hollywood studios, music companies, TV companies, TV networks, Google, Facebook, Tweeter, large newspaper groups, branded entertainment specialists, and many more."

Cannes festival is also a great ground of celebration and networking, he said. "We all know the business benefit to it."

But the most significant contribution of Cannes festival is the

Cannes Lions awards, which mean a lot to the ad agencies as well as to the clients.

Thomas said the works that came and won Lions at Cannes in 2012 presented the changing scenario of the industry.

One of the Grand Prix winners of this year was a solar energy company's annual report that has a special paint on the pages, he said.

Other big winner of this year was the Nike Fuel Band, he said.

"It's a product. But the advertising is all about behaviour, it's about behaviour of the brand, what the brand wants you to do, it's about behaviour of the consumers."

All Cannes winners are very innovative. "They use technology, they all use human insights and they all are very brave in what they do."

On new categories, he said: "Each year we have to reflect what's happening in the industry. We talked for four years for launching Mobile Content and Advertising category."

He said they were very careful in adding new categories, as those have to be a success for everybody.

"It can't be too early, can't be too late. So we thought this year is the right time for mobile and we expected around 400 entries but we got around 1,000 entries for mobile content and advertising."

On Young Lions, he said it is very essential to bring new talents.

"We have Young Lions competition all over the world and that's one of the most attractive aspects of this festival. And we are very excited having teams from Bangladesh as well."

This year, Young Lions from Columbia won the Design award, he said, adding that anyone can win the award, as all of the young kids are genius.

"This year there were around 45 Young Lions teams from 45 different countries who were selected through competition in their own country."

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